

For a New Liberty

The Libertarian Manifesto
Revised Edition

by Murray N. Rothbard

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The Libertarian Heritage: The American Revolution and Classical Liberalism

ON ELECTION DAY, 1976, the Libertarian party presidential ticket of Roger L. MacBride for President and David P. Bergland for Vice President amassed 174,000 votes in thirty-two states throughout the country. The sober *Congressional Quarterly* was moved to classify the fledgling Libertarian party as the third major political party in America. The remarkable growth rate of this new party may be seen in the fact that it only began in 1971 with a handful of members gathered in a Colorado living room. The following year it fielded a presidential ticket which managed to get on the ballot in two states. And now it is America's third major party.

Even more remarkably, the Libertarian party achieved this growth while consistently adhering to a new ideological creed—"libertarianism"—thus bringing to the American political scene for the first time in a century a party interested in principle rather than in merely gaining jobs and money at the public trough. We have been told countless times by pundits and political scientists that the genius of America and of our party system is its lack of ideology and its "pragmatism" (a kind word for focusing solely on grabbing money and jobs from the hapless taxpayers). How, then, explain the amazing growth of a new party which is frankly and eagerly devoted to ideology?

One explanation is that Americans were not always pragmatic and nonideological. On the contrary, historians now realize that the American Revolution itself was not only ideological but also the result of devotion to the creed and the institutions of libertarianism. The American revolutionaries were steeped in the creed of libertarianism, an ideology

which led them to resist with their lives, their fortunes, and their sacred honor the invasions of their rights and liberties committed by the imperial British government. Historians have long debated the precise causes of the American Revolution: Were they constitutional, economic, political, or ideological? We now realize that, being libertarians, the revolutionaries saw no conflict between moral and political rights on the one hand and economic freedom on the other. On the contrary, they perceived civil and moral liberty, political independence, and the freedom to trade and produce as all part of one unblemished system, what Adam Smith was to call, in the same year that the Declaration of Independence was written, the “obvious and simple system of natural liberty.”

The libertarian creed emerged from the “classical liberal” movements of the seventeenth and eighteenth centuries in the Western world, specifically, from the English Revolution of the seventeenth century. This radical libertarian movement, even though only partially successful in its birthplace, Great Britain, was still able to usher in the Industrial Revolution there by freeing industry and production from the strangling restrictions of State control and urban government-supported guilds. For the classical liberal movement was, throughout the Western world, a mighty libertarian “revolution” against what we might call the Old Order—the *ancien régime* which had dominated its subjects for centuries. This régime had, in the early modern period beginning in the sixteenth century, imposed an absolute central State and a king ruling by divine right on top of an older, restrictive web of feudal land monopolies and urban guild controls and restrictions. The result was a Europe stagnating under a crippling web of controls, taxes, and monopoly privileges to produce and sell conferred by central (and local) governments upon their favorite producers. This alliance of the new bureaucratic, war-making central State with privileged merchants—an alliance to be called “mercantilism” by later historians—and with a class of ruling feudal landlords constituted the Old Order against which the new movement of classical liberals and radicals arose and rebelled in the seventeenth and eighteenth centuries.

The object of the classical liberals was to bring about individual liberty in all of its interrelated aspects. In the economy, taxes were to be drastically reduced, controls and regulations eliminated, and human energy, enterprise, and markets set free to create and produce in exchanges that would benefit everyone and the mass of consumers. Entrepreneurs were to be free at last to compete, to develop, to create. The shackles of control

were to be lifted from land, labor, and capital alike. Personal freedom and civil liberty were to be guaranteed against the depredations and tyranny of the king or his minions. Religion, the source of bloody wars for centuries when sects were battling for control of the State, was to be set free from State imposition or interference, so that all religions—or nonreligions—could coexist in peace. Peace, too, was the foreign policy credo of the new classical liberals; the age-old regime of imperial and State aggrandizement for power and pelf was to be replaced by a foreign policy of peace and free trade with all nations. And since war was seen as engendered by standing armies and navies, by military power always seeking expansion, these military establishments were to be replaced by voluntary local militia, by citizen-civilians who would only wish to fight in defense of their own particular homes and neighborhoods.

Thus, the well-known theme of “separation of Church and State” was but one of many interrelated motifs that could be summed up as “separation of the economy from the State,” “separation of speech and press from the State,” “separation of land from the State,” “separation of war and military affairs from the State,” indeed, the separation of the State from virtually everything.

The State, in short, was to be kept extremely small, with a very low, nearly negligible budget. The classical liberals never developed a theory of taxation, but every increase in a tax and every new kind of tax was fought bitterly—in America twice becoming the spark that led or almost led to the Revolution (the stamp tax, the tea tax).

The earliest theoreticians of libertarian classical liberalism were the Levelers during the English Revolution and the philosopher John Locke in the late seventeenth century, followed by the “True Whig” or radical libertarian opposition to the “Whig Settlement”—the regime of eighteenth-century Britain. John Locke set forth the natural rights of each individual to his person and property; the purpose of government was strictly limited to defending such rights. In the words of the Lockean-inspired Declaration of Independence, “to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it...”

While Locke was widely read in the American colonies, his abstract philosophy was scarcely calculated to rouse men to revolution. This task was accomplished by radical Lockceans in the eighteenth century, who

wrote in a more popular, hard-hitting, and impassioned manner and applied the basic philosophy to the concrete problems of the government—and especially the British government—of the day. The most important writing in this vein was “Cato’s Letters,” a series of newspaper articles published in the early 1720s in London by True Whigs John Trenchard and Thomas Gordon. While Locke had written of the revolutionary pressure which could properly be exerted when government became destructive of liberty, Trenchard and Gordon pointed out that government *always* tended toward such destruction of individual rights. According to “Cato’s Letters,” human history is a record of irrepressible conflict between Power and Liberty, with Power (government) always standing ready to increase its scope by invading people’s rights and encroaching upon their liberties. Therefore, Cato declared, Power must be kept small and faced with eternal vigilance and hostility on the part of the public to make sure that it always stays within its narrow bounds:

We know, by infinite Examples and Experience, that Men possessed of Power, rather than part with it, will do any thing, even the worst and the blackest, to keep it; and scarce ever any Man upon Earth went out of it as long as he could carry every thing his own Way in it. . . . This seems certain, That the Good of the World, or of their People, was not one of their Motives either for continuing in Power, or for quitting it.

It is the Nature of Power to be ever encroaching, and converting every extraordinary Power, granted at particular Times, and upon particular Occasions, into an ordinary Power, to be used at all Times, and when there is no Occasion, nor does it ever part willingly with any Advantage....

Alas! Power encroaches daily upon Liberty, with a Success too evident; and the Balance between them is almost lost. Tyranny has engrossed almost the whole Earth, and striking at Mankind Root and Branch, makes the World a Slaughterhouse; and will certainly go on to destroy, till it is either destroyed itself, or, which is most likely, has left nothing else to destroy.¹

Such warnings were eagerly imbibed by the American colonists, who reprinted “Cato’s Letters” many times throughout the colonies and down

¹ See Murray N. Rothbard, *Conceived in Liberty, vol 2, “Salutary Neglect”: The American Colonies in the First Half of the 18th Century* (New Rochelle, N.Y.: Arlington House, 1975), p. 194. Also see John Trenchard and Thomas Gordon, *Cato’s Letters*, in D. L. Jacobson, ed. *The English Libertarian Heritage* (Indianapolis: Bobbs-Merrill Co., 1965).

to the time of the Revolution. Such a deep-seated attitude led to what the historian Bernard Bailyn has aptly called the “transforming radical libertarianism” of the American Revolution.

For the revolution was not only the first successful modern attempt to throw off the yoke of Western imperialism—at that time, of the world’s mightiest power. More important, for the first time in history, Americans hedged in their new governments with numerous limits and restrictions embodied in constitutions and particularly in bills of rights. Church and State were rigorously separated throughout the new states, and religious freedom enshrined. Remnants of feudalism were eliminated throughout the states by the abolition of the feudal privileges of entail and primogeniture. (In the former, a dead ancestor is able to entail landed estates in his family forever, preventing his heirs from selling any part of the land; in the latter, the government requires sole inheritance of property by the oldest son.)

The new federal government formed by the Articles of Confederation was not permitted to levy any taxes upon the public; and any fundamental extension of its powers required unanimous consent by every state government. Above all, the military and war-making power of the national government was hedged in by restraint and suspicion; for the eighteenth-century libertarians understood that war, standing armies, and militarism had long been the main method for aggrandizing State power.²

Bernard Bailyn has summed up the achievement of the American revolutionaries:

The modernization of American Politics and government during and after the Revolution took the form of a sudden, radical realization of the program that had first been fully set forth by the opposition intelligentsia . . . in the reign of George the First. Where the English opposition, forcing its way against a complacent social and political order, had only striven and dreamed, Americans driven by the same aspirations but living in a society in many ways modern, and now released politically, could suddenly act. Where the English opposition had vainly agitated for partial reforms . . . American leaders moved

² For the radical libertarian impact of the Revolution within America, see Robert A. Nisbet, *The Social Impact of the Revolution* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1974). For the impact on Europe, see the important work of Robert R. Palmer, *The Age of the Democratic Revolution*, vol. I (Princeton, N.J.: Princeton University Press, 1959).

swiftly and with little social disruption to implement systematically the outermost possibilities of the whole range of radically liberation ideas.

In the process they . . . infused into American political culture . . . the major themes of eighteenth-century radical libertarianism brought to realization here. The first is the belief that power is evil, a necessity perhaps but an evil necessity; that it is infinitely corrupting; and that it must be controlled, limited, restricted in every way compatible with a minimum of civil order. Written constitutions; the separation of powers; bills of rights; limitations on executives, on legislatures, and courts; restrictions on the right to coerce and wage war—all express the profound distrust of power that lies at the ideological heart of the American Revolution and that has remained with us as a permanent legacy ever after.³

Thus, while classical liberal thought began in England, it was to reach its most consistent and radical development—and its greatest living embodiment—in America. For the American colonies were free of the feudal land monopoly and aristocratic ruling caste that was entrenched in Europe; in America, the rulers were British colonial officials and a handful of privileged merchants, who were relatively easy to sweep aside when the Revolution came and the British government was overthrown. Classical liberalism, therefore, had more popular support, and met far less entrenched institutional resistance, in the American colonies than it found at home. Furthermore, being geographically isolated, the American rebels did not have to worry about the invading armies of neighboring, counterrevolutionary governments, as, for example, was the case in France.

After the Revolution

Thus, America, above all countries, was born in an explicitly libertarian revolution, a revolution against empire; against taxation, trade monopoly, and regulation; and against militarism and executive power. The revolution resulted in governments unprecedented in restrictions placed on

³ Bernard Bailyn, “The Central Themes of the American Revolution: An Interpretation,” in S. Kurtz and J. Hutson, eds., *Essays on the American Revolution* (Chapel Hill, NC.: University of North Carolina Press, 1973), pp. 26—27.

their power. But while there was very little institutional resistance in America to the onrush of liberalism, there did appear, from the very beginning, powerful elite forces, especially among the large merchants and planters, who wished to retain the restrictive British “mercantilist” system of high taxes, controls, and monopoly privileges conferred by the government. These groups wished for a strong central and even imperial government; in short, they wanted the British system without Great Britain. These conservative and reactionary forces first appeared during the Revolution, and later formed the Federalist party and the Federalist administration in the 1790s.

During the nineteenth century, however, the libertarian impetus continued. The Jeffersonian and Jacksonian movements, the Democratic-Republican and then the Democratic parties, explicitly strived for the virtual elimination of government from American life. It was to be a government without a standing army or navy; a government without debt and with no direct federal or excise taxes and virtually no import tariffs—that is, with negligible levels of taxation and expenditure; a government that does not engage in public works or internal improvements; a government that does not control or regulate; a government that leaves money and banking free, hard, and uninflated; in short, in the words of H. L. Mencken’s ideal, “a government that barely escapes being no government at all.”

The Jeffersonian drive toward virtually no government foundered after Jefferson took office, first, with concessions to the Federalists (possibly the result of a deal for Federalist votes to break a tie in the electoral college), and then with the unconstitutional purchase of the Louisiana Territory. But most particularly it foundered with the imperialist drive toward war with Britain in Jefferson’s second term, a drive which led to war and to a one-party system which established virtually the entire statist Federalist program: high military expenditures, a central bank, a protective tariff, direct federal taxes, public works. Horrified at the results, a retired Jefferson brooded at Monticello, and inspired young visiting politicians Martin Van Buren and Thomas Hart Benton to found a new party—the Democratic party—to take back America from the new Federalism, and to recapture the spirit of the old Jeffersonian program. When the two young leaders latched onto Andrew Jackson as their savior, the new Democratic party was born.

The Jacksonian libertarians had a plan: it was to be eight years of Andrew Jackson as president, to be followed by eight years of Van Buren,

then eight years of Benton. After twenty-four years of a triumphant Jacksonian Democracy, the Menckonian virtually no-government ideal was to have been achieved. It was by no means an impossible dream, since it was clear that the Democratic party had quickly become the normal majority party in the country. The mass of the people were enlisted in the libertarian cause. Jackson had his eight years, which destroyed the central bank and retired the public debt, and Van Buren had four, which separated the federal government from the banking system. But the 1840 election was an anomaly, as Van Buren was defeated by an unprecedentedly demagogic campaign engineered by the first great modern campaign chairman, Thurlow Weed, who pioneered in all the campaign frills—catchy slogans, buttons, songs, parades, etc—with which we are now familiar. Weed's tactics put in office the egregious and unknown Whig, General William Henry Harrison, but this was clearly a fluke; in 1844, the Democrats would be prepared to counter with the same campaign tactics, and they were clearly slated to recapture the presidency that year. Van Buren, of course, was supposed to resume the triumphal Jacksonian march. But then a fateful event occurred: the Democratic party was sundered on the critical issue of slavery, or rather the expansion of slavery into a new territory. Van Buren's easy renomination foundered on a split within the ranks of the Democracy over the admission to the Union of the republic of Texas as a slave state; Van Buren was opposed, Jackson in favor, and this split symbolized the wider sectional rift within the Democratic party. Slavery, the grave antilibertarian flaw in the libertarianism of the Democratic program, had arisen to wreck the party and its libertarianism completely.

The Civil War, in addition to its unprecedented bloodshed and devastation, was used by the triumphal and virtually one-party Republican regime to drive through its statist, formerly Whig, program: national governmental power, protective tariff, subsidies to big business, inflationary paper money, resumed control of the federal government over banking, large-scale internal improvements, high excise taxes, and, during the war, conscription and an income tax. Furthermore, the states came to lose their previous right of secession and other states' powers as opposed to federal governmental powers. The Democratic party resumed its libertarian ways after the war, but it now had to face a far longer and more difficult road to arrive at liberty than it had before.

We have seen how America came to have the deepest libertarian tradition, a tradition that still remains in much of our political rhetoric, and is

still reflected in a feisty and individualistic attitude toward government by much of the American people. There is far more fertile soil in this country than in any other for a resurgence of libertarianism.

Resistance to Liberty

We can now see that the rapid growth of the libertarian movement and the Libertarian party in the 1970s is firmly rooted in what Bernard Bailyn called this powerful “permanent legacy” of the American Revolution. But if this legacy is so vital to the American tradition, what went wrong? Why the need now for a new libertarian movement to arise to reclaim the American dream?

To begin to answer this question, we must first remember that classical liberalism constituted a profound threat to the political and economic interests—the ruling classes—who benefited from the Old Order: the kings, the nobles and landed aristocrats, the privileged merchants, the military machines, the State bureaucracies. Despite three major violent revolutions precipitated by the liberals—the English of the seventeenth century and the American and French of the eighteenth—victories in Europe were only partial. Resistance was stiff and managed to successfully maintain landed monopolies, religious establishments, and warlike foreign and military policies, and for a time to keep the suffrage restricted to the wealthy elite. The liberals had to concentrate on widening the suffrage, because it was clear to both sides that the objective economic and political interests of the mass of the public lay in individual liberty. It is interesting to note that, by the early nineteenth century, the laissez-faire forces were known as “liberals” and “radicals” (for the purer and more consistent among them), and the opposition that wished to preserve or go back to the Old Order were broadly known as “conservatives.”

Indeed, conservatism began, in the early nineteenth century, as a conscious attempt to undo and destroy the hated work of the new classical liberal spirit—of the American, French, and Industrial revolutions. Led by two reactionary French thinkers, de Bonald and de Maistre, conservatism yearned to replace equal rights and equality before the law by the structured and hierarchical rule of privileged elites; individual liberty and minimal government by absolute rule and Big Government; religious freedom by the theocratic rule of a State church; peace and free trade by

militarism, mercantilist restrictions, and war for the advantage of the nation-state; and industry and manufacturing by the old feudal and agrarian order. And they wanted to replace the new world of mass consumption and rising standards of living for all by the Old Order of bare subsistence for the masses and luxury consumption for the ruling elite.

By the middle of and certainly by the end of the nineteenth century, conservatives began to realize that their cause was inevitably doomed if they persisted in clinging to the call for outright repeal of the Industrial Revolution and of its enormous rise in the living standards of the mass of the public, and also if they persisted in opposing the widening of the suffrage, thereby frankly setting themselves in opposition to the interests of that public. Hence, the “right wing” (a label based on an accident of geography by which the spokesmen for the Old Order sat on the right of the assembly hall during the French Revolution) decided to shift their gears and to update their statist creed by jettisoning outright opposition to industrialism and democratic suffrage. For the old conservatism’s frank hatred and contempt for the mass of the public, the new conservatives substituted duplicity and demagoguery. The new conservatives wooed the masses with the following line: “We, too, favor industrialism and a higher standard of living. But, to accomplish such ends, we must regulate industry for the public good; we must substitute organized cooperation for the dog-eat-dog of the free and competitive marketplace; and, above all, we must substitute for the nation-destroying liberal tenets of peace and free trade the nation-glorifying measures of war, protectionism, empire, and military prowess.” For all of these changes, of course, Big Government rather than minimal government was required.

And so, in the late nineteenth century, statism and Big Government returned, but this time displaying a proindustrial and pro-general-welfare face. The Old Order returned, but this time the beneficiaries were shuffled a bit; they were not so much the nobility, the feudal landlords, the army, the bureaucracy, and privileged merchants as they were the army, the bureaucracy, the weakened feudal landlords, and especially the privileged manufacturers. Led by Bismarck in Prussia, the New Right fashioned a right-wing collectivism based on war, militarism, protectionism, and the compulsory cartelization of business and industry—a giant network of controls, regulations, subsidies, and privileges which forged a great partnership of Big Government with certain favored elements in big business and industry.

Something had to be done, too, about the new phenomenon of a massive number of industrial wage workers—the “proletariat.” During the eighteenth and early nineteenth centuries, indeed until the late nineteenth century, the mass of workers favored *laissez-faire* and the free competitive market as best for their wages and working conditions as workers, and for a cheap and widening range of consumer goods as consumers. Even the early trade unions, e.g., in Great Britain, were staunch believers in *laissez-faire*. New conservatives, spearheaded by Bismarck in Germany and Disraeli in Britain, weakened the libertarian will of the workers by shedding crocodile tears about the condition of the industrial labor force, and cartelizing and regulating industry, not accidentally hobbling efficient competition. Finally, in the early twentieth century, the new conservative “corporate state”—then and now the dominant political system in the Western world—incorporated “responsible” and corporatist trade unions as junior partners to Big Government and favored big businesses in the new statist and corporatist decision-making system.

To establish this new system, to create a New Order which was a modernized, dressed-up version of the *ancien régime* before the American and French revolutions, the new ruling elites had to perform a gigantic con job on the deluded public, a con job that continues to this day. Whereas the existence of *every* government from absolute monarchy to military dictatorship rests on the consent of the majority of the public, a democratic government must engineer such consent on a more immediate, day-by-day basis. And to do so, the new conservative ruling elites had to gull the public in many crucial and fundamental ways. For the masses now had to be convinced that tyranny was better than liberty, that a cartelized and privileged industrial feudalism was better for the consumers than a freely competitive market, that a cartelized monopoly was to be imposed *in the name of* antimonopoly, and that war and military aggrandizement for the benefit of the ruling elites was really in the interests of the conscripted, taxed, and often slaughtered public. How was this to be done?

In all societies, public opinion is determined by the intellectual classes, the opinion moulders of society. For most people neither originate nor disseminate ideas and concepts; on the contrary, they tend to adopt those ideas promulgated by the professional intellectual classes, the professional dealers in ideas. Now, throughout history, as we shall see further below, despots and ruling elites of States have had far more need of the services of intellectuals than have peaceful citizens in a free society. For States have always needed opinion-moulding intellectuals to con the public into

believing that its rule is wise, good, and inevitable; into believing that the “emperor has clothes.” Until the modern world, such intellectuals were inevitably churchmen (or witch doctors), the guardians of religion. It was a cozy alliance, this age-old partnership between Church and State; the Church informed its deluded charges that the king ruled by divine command and therefore must be obeyed; in return, the king funneled numerous tax revenues into the coffers of the Church. Hence, the great importance for the libertarian classical liberals of their success at separating Church and State. The new liberal world was a world in which intellectuals could be secular—could make a living on their own, in the market, apart from State subvention.

To establish their new statist order, their neomercantilist corporate State, the new conservatives therefore had to forge a new alliance between intellectual and State. In an increasingly secular age, this meant with secular intellectuals rather than with divines: specifically, with the new breed of professors, Ph.D.’s, historians, teachers, and technocratic economists, social workers, sociologists, physicians, and engineers. This reformed alliance came in two parts. In the early nineteenth century, the conservatives, conceding reason to their liberal enemies, relied heavily on the alleged virtues of irrationality, romanticism, tradition, theocracy. By stressing the virtue of tradition and of irrational symbols, the conservatives could gull the public into continuing privileged hierarchical rule, and to continue to worship the nation-state and its war-making machine. In the latter part of the nineteenth century, the new conservatism adopted the trappings of reason and of “science.” Now it was science that allegedly required rule of the economy and of society by technocratic “experts.” In exchange for spreading this message to the public, the new breed of intellectuals was rewarded with jobs and prestige as apologists for the New Order and as planners and regulators of the newly cartelized economy and society.

To insure the dominance of the new statism over public opinion, to insure that the public’s consent would be engineered, the governments of the Western world in the late nineteenth and early twentieth centuries moved to seize control over education, over the minds of men: over the universities, and over general education through compulsory school attendance laws and a network of public schools. The public schools were consciously used to inculcate obedience to the State as well as other civic virtues among their young charges. Furthermore, this statizing of

education insured that one of the biggest vested interests in expanding statism would be the nation's teachers and professional educationists.

One of the ways that the new statist intellectuals did their work was to change the meaning of old labels, and therefore to manipulate in the minds of the public the emotional connotations attached to such labels. For example, the laissez-faire libertarians had long been known as "liberals," and the purest and most militant of them as "radicals"; they had also been known as "progressives" because they were the ones in tune with industrial progress, the spread of liberty, and the rise in living standards of consumers. The new breed of statist academics and intellectuals appropriated to themselves the words "liberal" and "progressive," and successfully managed to tar their laissez-faire opponents with the charge of being old-fashioned, "Neanderthal," and "reactionary." Even the name "conservative" was pinned on the classical liberals. And, as we have seen, the new statist were able to appropriate the concept of "reason" as well.

If the laissez-faire liberals were confused by the new recrudescence of statism and mercantilism as "progressive" corporate statism, another reason for the decay of classical liberalism by the end of the nineteenth century was the growth of a peculiar new movement: socialism. Socialism began in the 1830s and expanded greatly after the 1880s. The peculiar thing about socialism was that it was a confused, hybrid movement, influenced by *both* the two great preexisting polar ideologies, liberalism and conservatism. From the classical liberals the socialists took a frank acceptance of industrialism and the Industrial Revolution, an early glorification of "science" and "reason," and at least a rhetorical devotion to such classical liberal ideals as peace, individual freedom, and a rising standard of living. Indeed, the socialists, long before the much later corporatists, pioneered in a co-opting of science, reason, and industrialism. And the socialists not only adopted the classical liberal adherence to democracy, but topped it by calling for an "expanded democracy," in which "the people" would run the economy—and each other.

On the other hand, from the conservatives the socialists took a devotion to coercion and the statist means for trying to achieve these liberal goals. Industrial harmony and growth were to be achieved by aggrandizing the State into an all-powerful institution, ruling the economy and the society in the name of "science." A vanguard of technocrats was to assume all-powerful rule over everyone's person and property in the name of the "people" and of "democracy." Not content with the liberal achievement of reason and freedom for scientific research, the socialist State would install

rule *by* the scientists of everyone else; not content with liberals setting the workers free to achieve undreamt-of prosperity, the socialist State would install rule *by* the workers of everyone else—or rather, rule by politicians, bureaucrats, and technocrats in their name. Not content with the liberal creed of equality of rights, of equality before the law, the socialist State would trample on such equality on behalf of the monstrous and impossible goal of equality or uniformity of *results*—or rather, would erect a new privileged elite, a new class, *in the name* of bringing about such an impossible equality.

Socialism was a confused and hybrid movement because it tried to achieve the liberal goals of freedom, peace, and industrial harmony and growth—goals which can only be achieved through liberty and the separation of government from virtually everything—by imposing the old conservative means of statism, collectivism, and hierarchical privilege. It was a movement which could only fail, which indeed *did* fail miserably in those numerous countries where it attained power in the twentieth century, by bringing to the masses only unprecedented despotism, starvation, and grinding impoverishment.

But the worst thing about the rise of the socialist movement was that it was able to outflank the classical liberals “on the Left”: that is, as the party of hope, of radicalism, of revolution in the Western World. For, just as the defenders of the *ancien régime* took their place on the right side of the hall during the French Revolution, so the liberals and radicals sat on the left; from then on until the rise of socialism, the libertarian classical liberals *were* “the Left,” even the “extreme Left,” on the ideological spectrum. As late as 1848, such militant laissez-faire French liberals as Frederic Bastiat sat on the left in the national assembly. The classical liberals had begun as the radical, revolutionary party in the West, as the party of hope and of change on behalf of liberty, peace, and progress. To allow themselves to be outflanked, to allow the socialists to pose as the “party of the Left,” was a bad strategic error, allowing the liberals to be put falsely into a confused middle-of-the-road position with socialism and conservatism as the polar opposites. Since libertarianism is nothing if not a party of change and of progress toward liberty, abandonment of that role meant the abandonment of much of their reason for existence—either in reality or in the minds of the public.

But none of this could have happened if the classical liberals had not allowed themselves to decay from within. They could have pointed out—as some of them indeed did—that socialism was a

confused, self-contradictory, quasi-conservative movement, absolute monarchy and feudalism with a modern face, and that they themselves were still the only true radicals, undaunted people who insisted on nothing less than complete victory for the libertarian ideal.

Decay From Within

But after achieving impressive partial victories against statism, the classical liberals began to lose their radicalism, their dogged insistence on carrying the battle against conservative statism to the point of final victory. Instead of using partial victories as a stepping-stone for evermore pressure, the classical liberals began to lose their fervor for change and for purity of principle. They began to rest content with trying to safeguard their existing victories, and thus turned themselves from a radical into a conservative movement—"conservative" in the sense of being content to preserve the status quo. In short, the liberals left the field wide open for socialism to become the party of hope and of radicalism, and even for the later corporatists to pose as "liberals" and "progressives" as against the "extreme right wing" and "conservative" libertarian classical liberals, since the latter allowed themselves to be boxed into a position of hoping for nothing more than stasis, than absence of change. Such a strategy is foolish and untenable in a changing world.

But the degeneration of liberalism was not merely one of stance and strategy, but one of principle as well. For the liberals became content to leave the war-making power in the hands of the State, to leave the education power in its hands, to leave the power over money and banking, and over roads, in the hands of the State—in short, to concede to State dominion over all the crucial levers of power in society. In contrast to the eighteenth-century liberals' total hostility to the executive and to bureaucracy, the nineteenth-century liberals tolerated and even welcomed the buildup of executive power and of an entrenched oligarchic civil service bureaucracy.

Moreover, principle and strategy merged in the decay of eighteenth-century and early nineteenth-century liberal devotion to "abolitionism"—to the view that, whether the institution be slavery or any other aspect of statism, it should be abolished as quickly as possible, since the immediate

abolition of statism, while unlikely in practice, was to be sought after as the *only possible moral* position. For to *prefer* a gradual whittling away to immediate abolition of an evil and coercive institution is to *ratify* and sanction such evil, and therefore to violate libertarian principles. As the great abolitionist of slavery and libertarian William Lloyd Garrison explained: “Urge immediate abolition as earnestly as we may, it will, alas! be gradual abolition in the end. We have never said that slavery would be overthrown by a single blow; that it ought to be, we shall always contend.”⁴

There were two critically important changes in the philosophy and ideology of classical liberalism which both exemplified and contributed to its decay as a vital, progressive, and radical force in the Western world. The first, and most important, occurring in the early to mid-nineteenth century, was the abandonment of the philosophy of natural rights, and its replacement by technocratic utilitarianism. Instead of liberty grounded on the imperative morality of each individual’s right to person and property, that is, instead of liberty being sought primarily on the basis of right and justice, utilitarianism preferred liberty as generally the best way to achieve a vaguely defined general welfare or common good. There were two grave consequences of this shift from natural rights to utilitarianism. First, the purity of the goal, the consistency of the principle, was inevitably shattered. For whereas the natural-rights libertarian seeking morality and justice cleaves militantly to pure principle, the utilitarian only values liberty as an ad hoc expedient. And since expediency can and does shift with the wind, it will become easy for the utilitarian in his cool calculus of cost and benefit to plump for statism in ad hoc case after case, and thus to give principle away. Indeed, this is precisely what happened to the Benthamite utilitarians in England: beginning with ad hoc libertarianism and laissez-faire, they found it ever easier to slide further and further into statism. An example was the drive for an “efficient” and therefore strong civil service and executive power, an efficiency that took precedence, indeed replaced, any concept of justice or right.

Second, and equally important, it is rare indeed ever to find a utilitarian who is also radical, who burns for immediate abolition of evil and coercion. Utilitarians, with their devotion to expediency, almost inevitably oppose any sort of upsetting or radical change. There have been no

⁴ Quoted in William H. Pease and Jane H. Pease, eds., *The Antislavery Argument* (Indianapolis: Bobbs-Merrill Co., 1965), p. xxxv.

utilitarian revolutionaries. Hence, utilitarians are never immediate abolitionists. The abolitionist is such because he wishes to eliminate wrong and injustice as rapidly as possible. In choosing this goal, there is no room for cool, ad hoc weighing of cost and benefit. Hence, the classical liberal utilitarians abandoned radicalism and became mere gradualist reformers. But in becoming reformers, they also put themselves inevitably into the position of advisers and efficiency experts to the State. In other words, they inevitably came to abandon libertarian principle as well as a principled libertarian strategy. The utilitarians wound up as apologists for the existing order, for the status quo, and hence were all too open to the charge by socialists and progressive corporatists that they were mere narrow-minded and conservative opponents of any and all change. Thus, starting as radicals and revolutionaries, as the polar opposites of conservatives, the classical liberals wound up as the image of the thing they had fought.

This utilitarian crippling of libertarianism is still with us. Thus, in the early days of economic thought, utilitarianism captured free-market economics with the influence of Bentham and Ricardo, and this influence is today fully as strong as ever. Current free-market economics is all too rife with appeals to gradualism; with scorn for ethics, justice, and consistent principle; and with a willingness to abandon free-market principles at the drop of a cost-benefit hat. Hence, current free-market economics is generally envisioned by intellectuals as merely apologetics for a slightly modified status quo, and all too often such charges are correct.

A second, reinforcing change in the ideology of classical liberals came during the late nineteenth century, when, at least for a few decades, they adopted the doctrines of social evolutionism, often called “social Darwinism.” Generally, statist historians have smeared such social Darwinist laissez-faire liberals as Herbert Spencer and William Graham Sumner as cruel champions of the extermination, or at least of the disappearance, of the socially “unfit.” Much of this was simply the dressing up of sound economic and sociological free-market doctrine in the then-fashionable trappings of evolutionism. But the really important and crippling aspect of their social Darwinism was the illegitimate carrying-over to the social sphere of the view that species (or later, genes) change very, very slowly, after millennia of time. The social Darwinist liberal came, then, to abandon the very idea of revolution or radical change in favor of sitting back and waiting for the inevitable tiny evolutionary changes over eons of time. In short, ignoring the fact that liberalism had had to break

through the power of ruling elites by a series of radical changes and revolutions, the social Darwinists became conservatives preaching against any radical measures and in favor of only the most minutely gradual of changes.⁵

In fact, the great libertarian Spencer himself is a fascinating illustration of just such a change in classical liberalism (and his case is paralleled in America by William Graham Sumner). In a sense, Herbert Spencer embodies within himself much of the decline of liberalism in the nineteenth century. For Spencer began as a magnificently radical liberal, as virtually a pure libertarian. But, as the virus of sociology and social Darwinism took over in his soul, Spencer abandoned libertarianism as a dynamic, radical historical movement, although without abandoning it in pure theory. While looking forward to an eventual victory of pure liberty, of “contract” as against “status,” of industry as against militarism, Spencer began to see that victory as inevitable, but only after millennia of gradual evolution. Hence, Spencer abandoned liberalism as a fighting, radical creed and confined his liberalism in practice to a weary, conservative, rearguard action against the growing collectivism and statism of his day.

But if utilitarianism, bolstered by social Darwinism, was the main agent of philosophical and ideological decay in the liberal movement, the single most important, and even cataclysmic, reason for its demise was its abandonment of formerly stringent principles against war, empire, and militarism. In country after country, it was the siren song of nation-state and empire that destroyed classical liberalism. In England, the liberals, in the late nineteenth and early twentieth centuries, abandoned the antiwar, antiimperialist “Little Englandism” of Cobden, Bright, and the Manchester School. Instead, they adopted the obscenely entitled “Liberal Imperialism”—joining the conservatives in the expansion of empire, and

⁵ Ironically enough, modern evolutionary theory is coming to abandon completely the theory of gradual evolutionary change. Instead, it is now perceived that a far more accurate picture is sharp and sudden flips from one static species equilibrium to another; this is being called the theory of “punctuational change.” As one of the expounders of the new view, Professor Stephen Jay Gould, writes: “Gradualism is a philosophy of change, not an induction from nature. . . . Gradualism, too, has strong ideological components more responsible for its previous success than any objective matching with external nature.

....The utility of gradualism as an ideology must explain much of its influence, for it became liberalism’s quintessential dogma against radical change—sudden flips are against the laws of nature.” Stephen Jay Gould, “Evolution: Explosion, Not Ascent,” *New York Times* (January 22, 1978).

the conservatives and the right-wing socialists in the destructive imperialism and collectivism of World War I. In Germany, Bismarck was able to split the previously almost triumphant liberals by setting up the lure of unification of Germany by blood and iron. In both countries, the result was the destruction of the liberal cause.

In the United States, the classical liberal party had long been the Democratic party, known in the latter nineteenth century as “the party of personal liberty.” Basically, it had been the party not only of personal but also of economic liberty; the stalwart opponent of Prohibition, of Sunday blue laws, and of compulsory education; the devoted champion of free trade, hard money (absence of governmental inflation), separation of banking from the State, and the absolute minimum of government. It construed state power to be negligible and federal power to be virtually nonexistent. On foreign policy, the Democratic party, though less rigorously, tended to be the party of peace, antimilitarism, and anti-imperialism. But personal and economic libertarianism were both abandoned with the capture of the Democratic party by the Bryan forces in 1896, and the foreign policy of nonintervention was then rudely abandoned by Woodrow Wilson two decades later. It was an intervention and a war that were to usher in a century of death and devastation, of wars and new despotisms, and also a century in all warring countries of the new corporatist statism—of a welfare-warfare State run by an alliance of Big Government, big business, unions, and intellectuals—that we have mentioned above.

The last gasp, indeed, of the old laissez-faire liberalism in America was the doughty and aging libertarians who banded together to form the Anti-Imperialist League at the turn of the century, to combat the American war against Spain and the subsequent imperialist American war to crush the Filipinos who were striving for national independence from both Spain and the United States. To current eyes, the idea of an anti-imperialist who is not a Marxist may seem strange, but opposition to imperialism began with laissez-faire liberals such as Cobden and Bright in England, and Eugen Richter in Prussia. In fact, the Anti-Imperialist League, headed by Boston industrialist and economist Edward Atkinson (and including Sumner) consisted largely of laissez-faire radicals who had fought the good fight for the abolition of slavery, and had then championed free trade, hard money, and minimal government. To them, their final battle against the new American imperialism was simply part and parcel of their lifelong battle against coercion, statism and injustice—against Big Government in every area of life, both domestic and foreign.

We have traced the rather grisly story of the decline and fall of classical liberalism after its rise and partial triumph in previous centuries. What, then, is the reason for the resurgence, the flowering, of libertarian thought and activity in the last few years, particularly in the United States? How could these formidable forces and coalitions for statism have yielded even that much to a resurrected libertarian movement? Shouldn't the resumed march of statism in the late nineteenth and twentieth centuries be a cause for gloom rather than usher in a reawakening of a seemingly moribund libertarianism? Why didn't libertarianism remain dead and buried?

We have seen why libertarianism would naturally arise first and most fully in the United States, a land steeped in libertarian tradition. But we have not yet examined the question: Why the renaissance of libertarianism *at all* within the last few years? What contemporary conditions have led to this surprising development? We must postpone answering this question until the end of the book, until we first examine what the libertarian creed is, and how that creed can be applied to solve the leading problem areas in our society.